GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:91
ANSWERED ON:27.07.2001
IMPORT OF PRINTING PRESS
PRABHUNATH SINGH;RENU KUMARI SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned `Massive fraud in import of printing presses` appearing in the Indian Express dated May 17, 2001;

(b) if so, the details of facts reported therein;

(c) the amount of loss suffered by the Government by way of customs duty due to this scam; and

(d) the remedial steps taken by the Government to check such practices in future?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a), (b), (c) & (d): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a), (b), (c) and (d) OF STARRED QUESTION NO.91 DUE FOR ANSWER ON 27TH JULY, 2001

(a) & (b): Yes, Sir. The newspaper report highlights violations of the EXIMPolicy provisions and, in certain cases, under-valuation indulged in by various importers of second-hand printing presses detected by Directorate of Revenue Intelligence and some Customs Commissionerates in recent years. The violations were detected by the Directorate of Revenue Intelligence in 1999 forsecond-hand printing presses mostly imported through Chennai, Hyderabad and Delhi Customs.Several such machines were seized at different centers and appropriate penal proceedings initiated under the Customs Act, 1962. Restrictions on imports of the second-hand printing machines/presses imposed in 1999-2000 EXIM Policy were removedin EXIM Policy for 2000-2001 and second-hand machines which are not more than ten years old allowed to be imported subject to two years` actual user condition. A number of cases of violation of these policy provisions by manipulation of the year of manufacture and in some cases, attempted under-valuation, have been detected by Customs in the years 2000 and 2001 mainly at Chennai and Delhi.

(c): Where invoice values declared were not fair and under-valuation suspected, these were questioned before Customs clearance and duty collected at enhanced values after appropriate adjudication. In two post-Customs clearance cases investigated by the Directorate of Revenue Intelligence, show cause notices demanding differential duty of Rs.61.10 lakhs for alleged attempted under-valuation are pending adjudication.

(d): Apart from instructions for beefing up intelligence machinery, alerts have been issued to field formations to be vigilant and guard against any such abuse in future. Custom Houses are taking special care to check the year of manufacture and declared value by critical physical examination of the machinery by expert Appraisers keeping note of the various valuation guidelines issued by the Board.